

EX PARTE OR LATE FILED

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Before the
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C., 20554

RECEIVED

MAR - 8 1993

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

ORIGINAL

EX PARTE PRESENTATION

Docket # 92-266

MAR 8 1993
FCC MAIL ROOM

Concerning)	Submitted By
Docket #92-266)	
Leased Commercial Access)	Paul V. Engle
Rate Structure)	Channel 8 Television
)	Southern New Jersey

To the Secretary:

Please accept the following presentation for inclusion into the Public Record in the proceeding of Docket #92-266 in the matter of the Cable Television Consumer Protection Act of 1992, reference specifically "Commercial Lease Access" Rate Regulation. Two copies have been submitted to the Secretary.

I operate a television station in Southern New Jersey, Channel 8. We are the only VHF television station that is licensed to and serves Southern New Jersey. Channel 8 went on the air in January of 1989. Since that time we

have developed substantial local programming and continue to do so. The need for our station here in Southern New Jersey is particularly important because of the lack of coverage by and lack of importance to the Philadelphia television stations.

Since we went on the air we have found it increasingly more difficult to reach the people we are licensed to serve. Our signal reaches six Southern New Jersey counties with a population of over a million and a half people. Cable TV penetration is 70%. There are six major Cable TV companies that serve Southern New Jersey. **(See Exhibit #1)** Garden State Cable and Storer Cable both owned by Comcast, control 58% of the Cable television market in Southern New Jersey.

Every cable company in Southern New Jersey, except Sammons Communications, has effectively refused to carry or lease a channel to Channel 8. Out of desperation, and fear of my station going black, I negotiated a carriage deal with Sammons Communications. That deal gives Sammons .05 per subscriber per month and 5% of our gross revenue. The system has 28,000 subscribers. We agreed to this deal under duress, it was the only way to get some cable carriage, without it there we would not be able to operate. If this same deal were struck with the remaining cable companies, it would be impossible for this station to exist. If this high outlay continues long term, this too will jeopardize the life of my station.

Shortly after going on the air in January 1989, I requested carriage for Channel 8 on most of the cable systems in South Jersey. Garden State Cable, based in Cherry Hill, NJ, (then NYT Cable) said they did not have channel capacity to accommodate us. They have subsequently added 15 new channels, all cable services. Jones Intercable said our programming was much like what they already had on their system and would not be interested in carrying Channel 8 (**See Exhibit #2**). In a conversation with an other cable manager, Storer Cable of Woodbury, also said they did not have room, and have also added more channels; more cable services. The balance of the other cable systems in Southern New Jersey also cited no channel capacity, yet have all since added more cable services.

I agree with and have experienced the conclusion of Congress' report on the anti competitive practices of cable operators in that most would be hurt by my station's increased advertising sales by gaining carriage on their systems. Conversely, the operators see declining local ad sales for their own cable services.

After an arduous year of lobbying cable companies for carriage, and motivating thousands of South Jersey residents to contact their cable companies and ask for Channel 8, we realized the futility of asking for carriage. The manager of Garden State Cable was quoted in a local newspaper referring to Channel 8 "...Cable operators have to create an

instant business for him." (See Exhibit # 3) General Manager of Jones Intercable, Irene Christopher, was quoted in the same article "**We just don't feel Channel 8 has the mix of programming we feel our subscribers want, we feel very good about the local coverage we already provide on Channel 13 (their local origination channel).** We saw then, and we still believe now, that the cable operators would not stop their anti competitive practices without governmental intervention.

We had no other choice but to request a Commercial Lease Channel under the terms and conditions of Section 612 of the 1984 Cable Television Act. The following is a brief synopsis of the results of our requests for lease access at a "**reasonable rate**".

1. On March 8, 1990, I sent a letter to Garden State Cable (Comcast) requesting Commercial Lease and rate as per Sec. 612. (See Exhibit #4) On March 30, 1990, Garden State Cable (Comcast) notified me the rate would be **\$225.00 per hour or \$3, 942,000.00 per year.** Garden State Cable has 170,000 subscribers (See Exhibit #5)
2. On March 8, 1990, I sent a letter to Jones Intercable requesting Commercial Lease and rates per Sec. 612. (See Exhibit #6) After

many phone calls and letters, Jones Intercable finally responded. They quoted me \$10.00 per subscriber per year, or \$270,000 per year.

Jones has 27,000 subscribers (See Exhibit #7)

3. On March 8, 1990, I sent a letter to Storer Cable for their Woodbury, NJ and Willingboro, NJ systems requesting Commercial Lease and rates per Sec. 612. Both systems are owned by Comcast (See Exhibit #8) On March 30, 1990, Comcast quoted me a rate for Storer in Woodbury of \$250.00 per hour or \$2,190,000.00 per year. The Woodbury system has 28,000 subscribers. Comcast also quoted me a rate for Willingboro of \$200.00 per hour or \$1,752,000.00 per year. The Willingboro system has 29,000 subscribers. (See Exhibit #5)

As you can see within the Comcast owned systems, there is no uniformity in the rates, other than to quote a rate so high that neither I nor any other station could afford it. In fact, the manager of Storer Woodbury, Kevin Smith, in a telephone conversation after I asked him why is the rate so high, he said "because we know that no TV station including yours could ever afford to pay that amount." These rates were simply designed to exclude television stations from Leased Commercial Access because of competition. Jones Intercable seems to have a policy regarding carriage of television stations

that in one case on or about December 10, 1992, a Federal Court in Los Angeles found Jones Intercable guilty of anti competitive behavior. Jones (as with my case here in New Jersey) argued that KHIZ-TV Barstow's programming was redundant of other stations on their system. The court disagreed and ordered Jones Intercable to pay KHIZ-TV \$3 million plus legal fees. KHIZ-TV proved that Jones was trying to monopolize the advertising market. KHIZ-TV had tried to negotiate for three years to gain carriage on the Jones system. Within the three years Jones added 28 new channels to their system. **(See Exhibit #9)**

The rates quoted by the cable systems are so high, they greatly exceed the potential income the station can generate from access to the subscribers on each of the systems. For example:

Storer Woodbury rate exceeds potential income by	1200%
Storer Willingboro rate exceeds potential income by	885%
Jones Intercable rate exceeds potential income by	280%
Garden State Cable rate exceeds potential income by	30%

In the spirit of Section 612 of the 1984 Cable Act, it is obvious that all of the cable operators I requested a lease from exhibited a clear anti competitive attitude and at worst an antitrust posture. Fortunately, Congress also recognized that posture.

It is now in your hands to carry out Congress' directive so that these types of abuses are not continued by the cable companies.

It is imperative that you adopt a rate structure that will allow television stations to gain access to the people they are licensed to serve, without preventing the station the opportunity of marketplace growth.

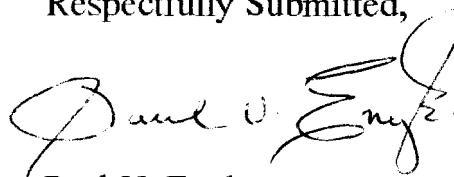
It is my understanding that the main purpose of Lease Channel Access is for the public to gain access to the widest possible diversity of information sources and to **promote competition** in the delivery of diverse sources of video programming. The definition of the term "commercial use" is the provision of video programming (523.5B). The term "video programming" is defined as programming **provided by**, or generally considered comparable to programming provided by, **a television broadcast station** (522.16). I believe any Federally licensed television service, including LPTV and Home Shopping, that is not covered by the Must Carry provisions of the 1992 Cable Consumer Protection Act should get special attention under the Lease Access portion of this law. This section of the law seems to apply specifically for these types of situations. I believe this should be maintained and strengthened.

The Commission is charged with determining a maximum rate for Commercial Lease Access. I feel that for a Federally licensed station the

rate should be a token amount because the licensee is a public trustee and the public has a right to view them. A high rate would put an undue burden on the station, possibly making it unfeasible for the station to operate. The president of the National Cable Television Association, Jim Moony, suggested that cable operators pay broadcast stations a penny per subscriber as a license fee. I think that same rate should be applied the other way for Federally licensed services; **one penny per subscriber per month for Commercial Lease Access.**

Commercial Lease Access could be the most important vehicle in the Act to keep Free TV alive in the United States, should other Must Carry provisions of the Act be struck down by the Courts. Your final determination on rate structure will possibly determine the outcome of many telecommunications industries in the United States of America.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Paul V. Engle". The signature is fluid and cursive, with a large loop at the end.

Paul V. Engle
Channel 8 W08CC-TV
104 Bellevue Avenue
Hammonton, NJ 08037
(609) 561-7083

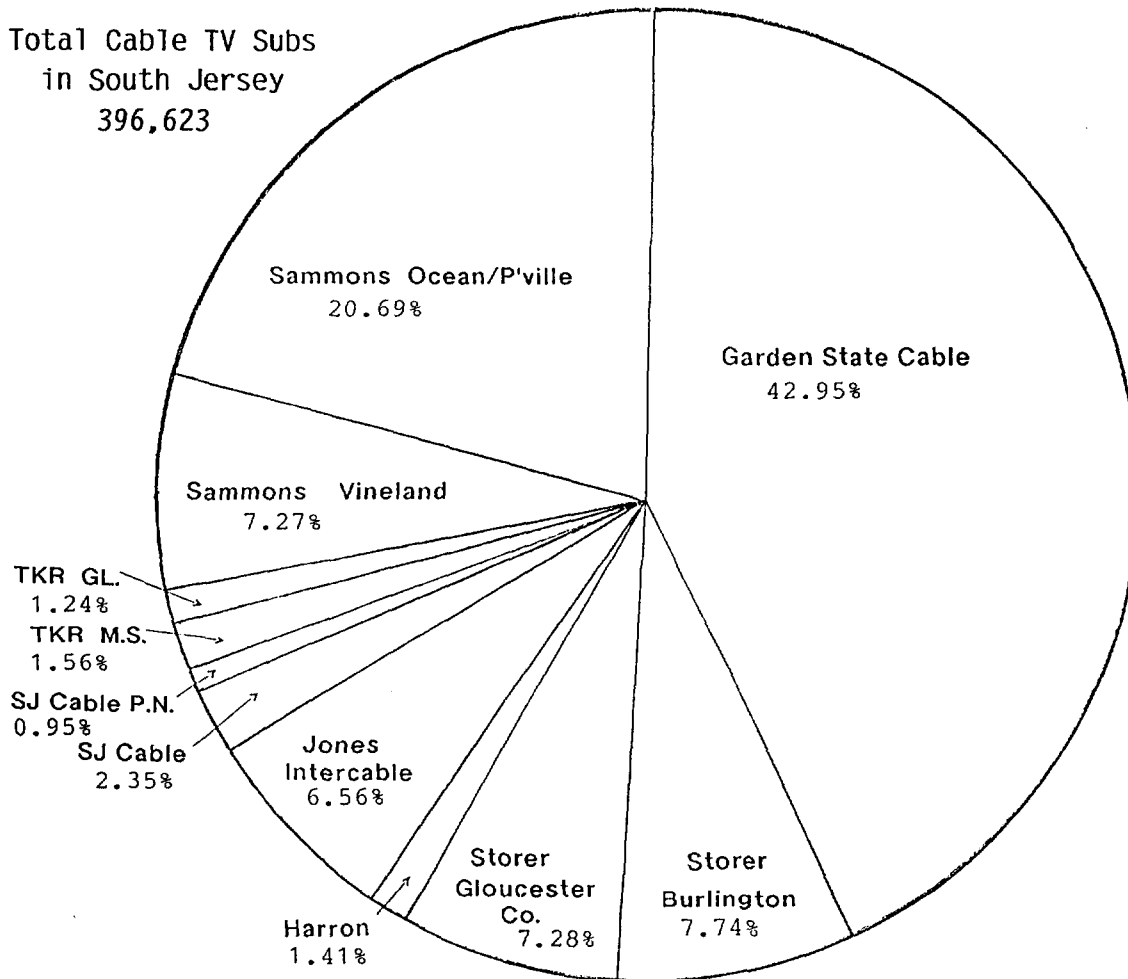
EX PARTE PRESENTATION

Paul V. Engle
Docket # 92-266

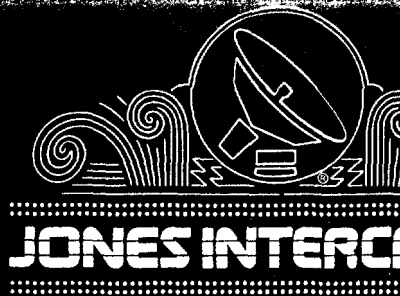
EXHIBIT #1

THE SOUTH JERSEY CABLE TV MARKET

Total Cable TV Subs
in South Jersey
396,623



<u>Cable System</u>	<u>Subscribers</u>	<u>% of Total SJ Cable TV Subs</u>
Garden State Cable TV	170,330	42.95%
Harron Communications	5,583	1.41%
Jones Intercable	26,017	6.56%
Sammons Ocean/P'ville	82,069	20.69%
Sammons Vineland	28,829	7.27%
SJ Cablevision	9,337	2.35%
SJ Cablevision Port Norris	3,765	0.95%
Storer Burlington	30,713	7.74%
Storer Gloucester Co.	28,997	7.28%
TKR Gloucester City	4,900	1.24%
TKR Maple Shade	6,193	1.56%



EX PARTE PRESENTATION

**Paul V. Engle
Docket # 92-266**

EXHIBIT #2

April 27, 1989

Mr. Paul V. Engle
General Manager
South Jersey Television, Inc.
104 Bellevue Avenue
Hammonton, NJ 08037

Dear Mr. Engle:

Thank you for the media kit we received on Channel 8. We have had an opportunity to review the programming carried by your station and have compared your programming to that carried by the other services, including our local channel. After reviewing your information, we have concluded that our current line-up represents comprehensive coverage of the same programming carried by your station. A memo has been attached outlining our findings.

Our local channel, Channel 13, covers sports from the high schools within the areas that we service with cable. We carry a minimum of one game each week throughout the school year. In addition, the coverage has been extended to the summer months by including swim clubs and special swim meets of interest to our local subscribers.

We are in the process of collecting and tabulating a survey which will evaluate the desires of our subscribers for additional basic programming. As I mentioned to you on the phone earlier, at this time, Jones InterCable of Turnersville has no available channel space. Should such space become available, the wishes and recommendations of our subscribers will be one of the deciding factors in our choice of additional programming sources.

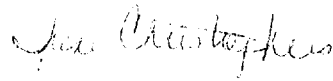
Mr. Paul V. Engle

-2-

April 27, 1989

Should your programming mix change, please advise us so that we have the most current information in order to make the most comprehensive evaluation.

Sincerely,

A handwritten signature in cursive script, appearing to read "Irene Christophers".

Irene Christophers
General Manager

IC:

CC: Mayor and Council Winslow Township
Mayor and Council Monroe Township
Gregory Liptak
Neil Sullivan



TO: Irene Christophers
FROM: Mark Smith
DATE: April 27, 1989
RE: SPORTS 8 Programming Schedule

As per your request, I have evaluated the programming schedule of SPORTS 8. Upon looking at the schedule, I have been unable to find any type of sports programming that is not currently seen on at least one of our already existing channels.

The following are some examples: "Good Fishing" airing on Channel 8 also airs on KYW, Sunday afternoons at 1:30 PM. In addition many other fine fishing programs are aired on The Nashville Network such as "Bass Masters, Outdoor Magazine" and "Bill Dance Outdoors". ESPN highlights fishing with series such as "Fishin' Hole", "Fishing", and "Sportsman's Challenge". "Jimmy Houston", aired on SPORTS 8, also airs on ESPN Saturdays at 9 AM. SPORTS 8 fishing programs such as "Fishing the West" and "Fishing Texas" are geared for those areas and are not as overall informative as the programs listed above carried by TNN and ESPN.

Several auto racing programs are carried on SPORTS 8, while both The Nashville Network and ESPN feature shows such as "Moto-World", "Inside Racing", and "Performance Plus" on TNN and "NASCAR", "CART" and "Formula One Racing Action", along with "Speed Week" on ESPN.

"Mesquite Championship Rodeo" is on TNN Sundays, while ESPN covers golf with series like "Inside the PGA Tour" Tuesdays at 5:30 PM and coverage of events like "The Las Vegas Invitational". Horse racing is on ESPN with live coverage of many of the nations finest races, both thoroughbred and harness, while the local angle is picked up by CTN with "At the Races" featuring Garden State Park and Philadelphia Park Races.

In fact, as shown by SPORTS 8 comparison page, ESPN carries every type of event with the exception of Pro Lacrosse and local sports. This year PRISM carried Wings games (Philadelphia's entry in the major indoor Lacrosse League) including the championship game.

As far as local sports programming is concerned, Channel 13 features a twice weekly call-in show with guests such as Philadelphia pro athletes Reggie White and Scott Mellenby, area high school and college athletic directors and athletes, and sports experts in fields such as sports medicine, training and conditioning and sports collectibles. Local scores, schedules, interviews, and highlights are seen every weeknight during the evening news.

With respect to coverage of local events, Channel 13 covers football baseball, softball, field hockey, wrestling, boys and girls soccer, swimming and basketball, averaging out to one game a week all year round. Our coverage is dedicated exclusively to our franchises' teams, not schools from Philadelphia or from the shore.

As far as other SPORTS 8 programming is concerned, USA Tonight news on WPIX (Channel 11) at 11:00 PM and many channels currently on Jones' lineup, air late night movies. With the exception of the Reading Phillies games (of debatable interest) there is nothing SPORTS 8 offers that Jones Intercable does not already provide.

So in conclusion, I feel on programming merits alone, there is no reason to warrant SPORTS 8 inclusion to the Jones Intercable line-up.

MS:st

EX PARTE PRESENTATION

Paul V. Engle
Docket # 92-266

EXHIBIT #3

VHF station 'can't get on cable'

By CHUCK DARROW
Courier-Post Staff

You probably didn't know that Hammonton's WOCC-TV, Channel 8, televised Gov. Jim Florio's speech about taxes on Aug. 2.

Come to think of it, you probably didn't know there was a Channel 8 in Hammonton. And that, says the station's owner, is the result of a boycott of the station on the part of South Jersey's cable system operators who say Channel 8's programming does not merit inclusion on the systems.

Channel 8 is South Jersey's only VHF television station and one of two in the state. (The other is Channel 9 in Secaucus.) It is licensed as a "low-power" station by the Federal Communications Commission (FCC), which means its signal is only about half as strong as that of Philadelphia outlets like Channels 3, 6 and 10.

The 6-year-old station offers a mix of syndicated entertainment and sports programming, "info-commercials" (those half-hour ads that simulate talk-show formats) and local news and public affairs shows.

Its broadcast area covers portions of Atlantic, Gloucester, Burlington and Camden counties. But unless you live within 15 miles or so of the station's Waterford Township transmitter, or have an outdoor antenna hooked to your set, you can't receive it.

"We're the only VHF television station in South Jersey, but with cable penetration over 70 percent (in the region), it's impossible to reach viewers," says Paul Engle, president of South Jersey Television Inc., which owns and operates Channel 8.

"We're licensed by the FCC to serve the public, but we're not allowed to serve it because we can't get on cable."

Recently, Engle thought he'd found a trump card. Section 612 of the federal Cable Act of 1984 stipulates that all cable systems must reserve 10 percent of channel capacity for commercial lease, and must make the space available at "a reasonable rate."

According to Engle, the systems agreed to consider the plan, but quoted him lease rates that were economically unfeasible.

For instance, Garden State Cable of Cherry Hill, South Jersey's largest system, initially quoted Engle an annual rate of \$4 million. The company subsequently lowered it to \$1,750,000 — which Engle says is still too steep.

"Based on Garden State's own advertising rates," he said, "even if I sold out all my advertising, it would still cost 30 percent more than I could gross."



Courier-Post photo by Al Schell

Channel's chief: Paul Engle, president of the company that owns the 6-year-old WOCC-TV,

Channel 8 in Hammonton, says 'it's impossible to reach viewers.'

The figures he cites for other systems are even more extreme. According to Engle's mathematics, to lease a channel on Storer Cable of Gloucester County "would be 1200 percent greater than the potential income Channel 8 can produce."

For Storer's Burlington County operation, the cost, says Engle, would be "885 percent greater based on their ad rates."

So why is South Jersey's cable industry making it so tough on Channel 8? Wouldn't it make sense to offer viewers a local station — the only local station?

Two area systems believe Channel 8 simply doesn't offer enough alternative programming.

"He (Engle) came to us and said, 'Why don't you put my channel on?'" said Patrick McCall, general manager of Garden State Cable. "His mind-set is that cable operators have to create an instant business for him."

"The question we had to ask is, 'Do you have anything to give us that will be of interest to the subscriber?' The answer is a loud no."

Turnersville-based Jones Intercable, which covers parts of Gloucester and Atlantic counties, also sees

little of interest on Channel 8.

"We just don't feel (Channel 8) has the mix of programming we feel our subscribers want," says Irene Picard, general manager of Jones Intercable.

And while Picard acknowledges Channel 8 does offer programming of local interest, "We feel very good about the local coverage we already provide on Channel 13."

Channel 13 is the local access station on which Jones Intercable airs self-produced programming, including a nightly newscast.

Ed Pardini, general manager of Storer Burlington, refuses to discuss Channel 8.

"It's not our policy to talk about contract negotiations that are ongoing," he says. "I have no comment."

Despite his lack of success, Engle refuses to give up the cable fight. However, he hopes to keep his battle out of the courts, even though he feels he'd likely find some measure of legal support.

"Other people in my position (around the country) are considering litigation," he says. "I hope to avoid things like that."

EX PARTE PRESENTATION

**Paul V. Engle
Docket # 92-266**

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SOUTH JERSEY

EXHIBIT #4

P.O. Box 888 • HAMMONTON, NJ 08037 • (609) 427-0200

March 8, 1990

Mr. Thomas Nathan, Asst. General Counsel
Comcast
1414 S. Penn Square
Philadelphia, PA 19102

RE: Garden State Cable TV

Dear Mr. Nathan,

Under advisement of Mr. Stanley Wang, General Counsel of your company, I am addressing my request to you.

Channel 8 TV is licensed to four Southern New Jersey communities: Winslow Twp., Williamstown, Hammonton, and Berlin, New Jersey. Our transmitter is located at the New Jersey Network facility in Waterford Works on a 1,000 foot tower. Channel 8 went on the air January 16, 1989. We are the first new VHF in the market since 1959. We are the only VHF ever licensed to Southern New Jersey. We reach a potential audience of 1 million households in New Jersey and Philadelphia.

I made a pledge to the FCC and more importantly to the people of South Jersey that we would be their South Jersey station, and all that promise encompasses. In the past year we have produced public affairs shows, game shows, and local college and high school sports. We carry a wide variety of programming, movies, and live National sporting events.

I have tried to gain carriage of Channel 8 when your system was owned by NYT and was told there were no available channels and nothing could be done until

the sale was completed. I first contacted NYT in October, 1988 and have made many attempts thereafter, but always the sale of the system was the hang up.

Finally the sale did take place, and we are still being denied carriage, even with your planned expansion of channel capacity.

Cable penetration continues to grow in Southern New Jersey. With penetration of nearly 70% of the households, it makes access to the majority of our audience almost impossible.

In the 1984 Cable Television Act there is a provision under "Section 612":

"(b)(1) a cable operator shall designate channel capacity for commercial use.

"(A) An operator of any cable system with 36 or more channels shall designate 10 percent of such channels (for commercial use).

In accordance with Title 47 United States Code 532 "Sec. 612" of the 1984 Cable Act, I am respectfully requesting a full time channel on the Garden State Cable System for commercial use.

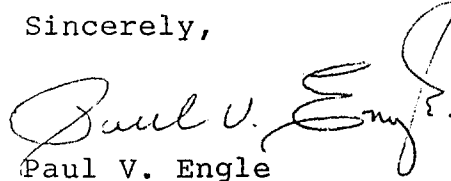
Accordingly, I would like to propose that Channel 8 provide all necessary reception, processing, and headend equipment, to your specification, necessary to deliver a quality picture to your subscribers.

I would like the opportunity to work with you in promoting your system to residences who are not enjoying your service.

I am hopeful we can work out the details of my request expeditiously to our mutual benefit.

I can be reached at Channel 8 at (609) 561-7083.
Thank you for your attention in this matter.

Sincerely,


Paul V. Engle
General Manager

c.c. FCC Policy & Rules
Mr. Barrett Brick

**COMCAST®
CORPORATION**

EX PARTE PRESENTATION

**Paul V. Engle
Docket # 92-266**

EXHIBIT #5

1414 SOUTH PENN SQUARE • PHILADELPHIA, PA 19102-2480 • (215) 665-1700 FAX 215-981-7790

March 30, 1990

Mr. Paul Engle
President
South Jersey Television, Inc.
P.O. Box 888
Hammonton, New Jersey 08037

Dear Mr. Engle:

This is in response to your March 8, 1990 letter requesting leased access time on Storer Cable systems serving Burlington and Gloucester, New Jersey and our subsequent conversations concerning a similar request with regard to Garden State Cablevision, L.P. As you know, I represent both the Storer systems and Garden State Cablevision and I am responding to you on behalf of all three systems.

Leased access time is available on each of these systems in accordance with §612 of the Cable Communications Policy Act of 1984 (47 USC §532). Generally speaking, rates decrease with the amount of time purchased. In Burlington the rates range from \$300 per hour for occasional uses to \$200 per hour for long term uses and in Gloucester the rates range from \$400 per hour for occasional uses to \$250 per hour for long term uses. At this time, Garden State Cablevision does not have any long term users. All of its short term users are paying in excess of \$225 per half hour. If you are interested in a long term use, I believe a discount from these rates will be available.

If you would like to discuss these rates in more detail or if you would like me to send you a contract for time on any or all of the above systems, please contact me and I will be happy to do so.

Very truly yours,



Thomas R. Nathan
Deputy General Counsel

TRN/nc

EX PARTE PRESENTATION

**Paul V. Engle
Docket # 92-266**

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SOUTH JERSEY TI

EXHIBIT #6

P.O. Box 888 • HAMMONTON, NJ 08

March 8, 1990

Ms. Elizabeth Steele
General Counsel
Jones Intercable, Inc.
9697 East Mineral Avenue
Englewood, CO 80112

Dear Ms. Steele,

It was a pleasure speaking with you on Monday,
March 5, 1990.

Please allow me to give you a brief history of
Channel 8. Channel 8 TV is licensed to four Southern
New Jersey communities: Winslow Twp., Williamstown,
Hammonton, and Berlin. Our transmitter is located at
the New Jersey Network facility in Waterford Works on
a 1,000 foot tower. Channel 8 went on the air January 16,
1989. We are the first new VHF station in the market
since 1959. We are the only VHF station ever licensed
to Southern New Jersey. We reach a potential audience
of 1 million households in New Jersey and Philadelphia.

I made a pledge to the FCC and more importantly to
the people of Southern New Jersey that we would be their
South Jersey Station and all that promise encompasses.
In the past year we have produced public affairs shows,
game shows, and local college and high school sports.
We carry a wide variety of programming, movies, and
live national sporting events.

I have requested carriage on your system in Turnersville, NJ. Your local manager, Irene Christophers has denied my request. Ms Christopher has said she is not interested in carrying my station. Your Turnersville system is comprised of Winslow Twp, our licensed community, Williamstown (Monroe Twp), another of our licensed communities, and Waterford, our transmitter location. Your other three franchised towns: Folsom, Washington Twp. and Buena, are all within our Grade A Coverage Area.

Cable penetration continues to grow in Southern New Jersey. With penetration of nearly 70% of the households, it makes access to the majority of our audience almost impossible.

In the 1984 Cable Television Act there is a provision under "Section 612":

"(b)(1) a cable operator shall designate channel capacity for commercial use",

(A) An operator of any cable system with 36 or more channels shall designate 10 percent of such channels (for commercial use)."

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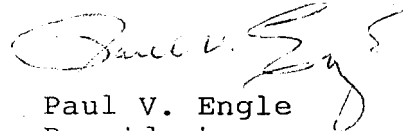
Accordingly, I would like to propose that Channel 8 provide all necessary reception, processing, and headend equipment necessary to deliver a quality picture to your subscribers.

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I am hopeful we can work out the details of my request expeditiously to our mutual benefit.

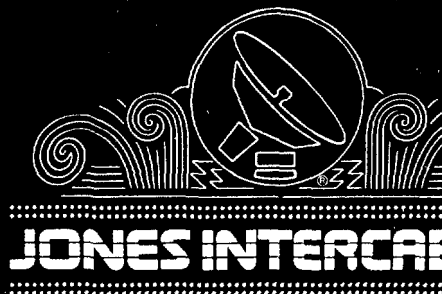
I can be reached at (609) 561-7083. Thank you for your attention in this matter.

Sincerely,

A handwritten signature in cursive script, appearing to read "Paul V. Engle".

Paul V. Engle
President

c.c. FCC Policy & Rulemaking
Mr. Barrett Brick



EX PARTE PRESENTATION

**Paul V. Engle
Docket # 92-266**

EXHIBIT #7

May 1, 1990

Mr. Paul V. Engle
General Manager
South Jersey Television, Inc.
P. O. Box 888
Hammonton, NJ 08037

Dear Mr. Engle:

Unfortunately, as a result of a misunderstanding, you were not in attendance at our scheduled meeting of April 24, 1990. At that meeting, Cable TV Fund 14-A, Ltd. d/b/a Jones Intercable (the "Fund") was prepared to present the following proposal. Specifically, the Fund is prepared to provide to South Jersey Television, Inc. a leased access channel at the rate of \$10.00 per subscriber per year. This equates to a monthly rate of \$.8333 per subscriber payable in advance each month. As indicated this rate is substantially less than our current charges for time which is purchased on our local origination channel. Of course, other terms and conditions acceptable to both parties would have to be negotiated and finalized i.e. term of agreement, renewals etc.

The Fund is committed to providing a leased access channel to those persons or businesses which are willing to lease a channel. However, as you are aware, the Fund is authorized to charge a commercially reasonable rate for leasing such a channel to a third party. Specifically, 47 U.S.C.A. Section 532 (c)(1)(1990 Supp.) provides that:

If a person unaffiliated with the cable operator seeks to use channel capacity designated pursuant to subsection (b) of this section for commercial use, the cable operator shall establish, consistent with the purpose of this section, the price, terms and conditions of such use which are at least sufficient to assure that such use will not adversely affect the operation, financial condition, or market development of the cable system.

Mr. Paul V. Engle

-2-

May 1, 1990

The Fund has reviewed your April 16, 1990 correspondence whereby you propose a \$.01 per subscriber per month rental rate. The Fund is unable to accept such a proposal. Please review our proposal set forth herein and if you would like to discuss this matter further, please do not hesitate to call.

Sincerely,

A handwritten signature in cursive script, reading "Irene Christophers".

Irene Christophers
General Manager

IC:
CC: Howard C. Olson
Thomas Carlock
Federal Communications Commission

EX PARTE PRESENTATION

annel

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**Paul V. Engle
Docket # 92-266**

SOUTH JERSEY TE

EXHIBIT #8

P.O. Box 888 • HAMMONTON, NJ 08063

March 8, 1990

Mr. Mark Hayes
Vice President, General Counsel
Storer Cable Communications
1200 Biscayne Blvd.
Miami, Florida 33181

Dear Mr. Hayes,

It was a pleasure speaking with you on Friday,
March 2, 1990.

I first would like to give you a brief history of
Channel 8. Channel 8 TV is licensed to four Southern
New Jersey communities Winslow Twp., Williamstown,
Hammonton, and Berlin. Our transmitter is located at
the New Jersey Network facility in Waterford Works on
a 1,000 foot tower. Channel 8 went on the air January 16,
1989. We are the first new VHF station in the market
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I made a pledge to the FCC and more importantly to
the people of Southern New Jersey that we would be their
South Jersey Station and all that promise encompasses.
In the past year we have produced public affairs shows,
game shows, and local college and high school sports.
We carry a wide variety of programming, movies, and live
national sporting events.

We have been denied carriage by both your Woodbury
and Willingboro systems. Both local managers have cited
lack of channel space for denying carriage.

Cable penetration continues to grow in Southern New Jersey. With penetration of nearly 70% of the households, it makes access to the majority of our audience almost impossible.

In the 1984 Cable Television Act there is a provision under "Section 612":

"(b)(1) a cable operator shall designate channel capacity for commercial use."

(A) An operator of any cable system with 36 or more channels shall designate 10 percent of such channels (for commercial use)."

In accordance with Title 47 United States Code 532 "Section 612" of the 1984 Cable Act, I am respectfully requesting a full time channel on Storer Cable's Woodbury and Willingboro cable systems for commercial use.

Accordingly, I would like to propose that Channel 8 provide all necessary reception, processing and headend equipment necessary to deliver a quality picture to your subscribers.

I would like the opportunity to work with you in promoting your systems to residences who are not enjoying your service.